

## Etco Denim Private Limited

December 02, 2022

### Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	246.45	<b>CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)</b>	Rating continues to remain under ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	112.99	<b>CARE D / CARE D; ISSUER NOT COOPERATING* (Single D / Single D ISSUER NOT COOPERATING*)</b>	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	29.00	<b>CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)</b>	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Facilities</b>	<b>388.44 (Rs. Three Hundred Eighty-Eight Crore and Forty-Four Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1

*\*Issuer did not cooperate; Based on best available information*

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated September 13, 2021, placed the rating(s) of Etco Denim Private Limited (EDPL) under the 'issuer non-cooperating' category as EDPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. EDPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated July 30, 2022, August 10, 2022, August 19, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

### Detailed description of the key rating drivers

Please refer to PR dated [September 13, 2021](#)

**Analytical approach:** Standalone

### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

### About the Company

EDPL was established in the year 2005 by Mr Ramesh D Shah who is the promoter of the company. The company is in the business of spinning, yarn dyeing, denim fabric weaving and finishing. During May 2013, EDPL made a capex for backward integration and commissioned a plant for manufacturing denim from cotton bales. The plant is located at Aliabad Industrial Area, Bijapur District, Karnataka.

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and in other CARE's publications

Brief Financials (Rs. crore)	FY21 (A)	FY22 (A)	H1FY23 (Prov.)
Total operating income	NA	NA	NA
PBILDT	NA	NA	NA
PAT	NA	NA	NA
Overall gearing (times)	NA	NA	NA
Interest coverage (times)	NA	NA	NA

A: Audited; Prov.: Provisional; NA: Not Available

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument/facility:** Please refer Annexure 3

**Complexity level of various instruments rated for this Company:** Please refer Annexure 4

#### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	March 2024	246.45	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-Working Capital Limits		-	-	-	112.99	CARE D / CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	29.00	CARE D; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; Based on best available information

#### Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	246.45	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (13-Sep-21)	1)CARE D; ISSUER NOT COOPERATING* (10-Aug-20)	1)CARE D; ISSUER NOT COOPERATING* (21-May-19)
2	Fund-based - LT/ ST-Working Capital Limits	LT/ST*	112.99	CARE D / CARE D; ISSUER NOT COOPERATING*	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (13-Sep-21)	1)CARE D; ISSUER NOT COOPERATING* (10-Aug-20)	1)CARE D; ISSUER NOT COOPERATING* (21-May-19)
3	Non-fund-based - ST-BG/LC	ST	29.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (13-Sep-21)	1)CARE D; ISSUER NOT COOPERATING* (10-Aug-20)	1)CARE D; ISSUER NOT COOPERATING* (21-May-19)

\*Issuer did not cooperate; Based on best available information

**Annexure 3: Detailed explanation of the covenants of the rated instruments/facilities:** Not applicable

#### Annexure 4: Complexity level of various instruments rated for this company:

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-Working Capital Limits	Simple
3	Non-fund-based - ST-BG/LC	Simple

**Annexure 5: Bank Lender Details for this Company**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

**Contact us****Media Contact**

Mr. Mradul Mishra

Contact No.: +91-22-6754 3573

Email ID – [mradul.mishra@careedge.in](mailto:mradul.mishra@careedge.in)

**Analyst Contact**

Ms. Shachee Vyas

Contact No.: +91-79-4026 5665

Email ID – [shachee.tripathi@careedge.in](mailto:shachee.tripathi@careedge.in)

**Relationship Contact**

Mr. Saikat Roy

Contact No.: 022 67543404 /136

Email ID – [saikat.roy@careedge.in](mailto:saikat.roy@careedge.in)

**About CARE Ratings Limited:**

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

**Disclaimer**

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careedge.in](http://www.careedge.in)**